Another major scheme of the Ministry is for assistance in setting up of food parks. Assistance is provided @25% of project cost in general areas and @ 33.33% in difficult areas subject to a maximum of Rs. 4.00 crore for provision of specified common facilities. Under this scheme six food parks located in Khargone, Hoshangabad, Chhindwara, Bhind, Mandla and Mandsour districts have been approved.

Reviving FPIs

558. SHRI B.K. HARIPRASAD: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the food processing industry, which handles only a measly 2 per cent of the total produce in the country is going through a bad patch with paltry fund allocations in recent budgets;

(b) whether the proposed Integrated Food Law, when enacted, is likely to revive the sector; and

(c) the estimated capital outlay needed to get key food processing projects off the ground?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (c) According to an estimate, growth of food processing industries was 7.1% in the last few years of 9th Plan. Growth rate during the 10th Plan is estimated to be 7.3% for a GDP growth of 6%. Government does not setup food processing industries on its own. Therefore, working of food processing industries is not dependent on budgetary allocations.

The proposed Integrated Food Law is likely to create an environment conducive to faster growth of FPI sector.

As per the report of M/s. Rabo India Finance Pvt. Ltd. processed food industry in India should aim to grow at about 10% per annum between 2005 and 2015. The investment required in building the processing capacity, infrastructure and market development is estimated to be Rs. 99,700 crore for this period.